

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company
Proposing a Market Structure and Rules for the
Northern California Natural Gas Industry for the
Period Beginning January 1, 2003 as Required by
Commission Decision 01-09-016. (U 39 G)

Application 01-10-011
(Filed October 8, 2001)

**ADMINISTRATIVE LAW JUDGE'S RULING
REGARDING TWO MOTIONS**

Summary

On May 20, 2002, Pacific Gas and Electric Company (PG&E) and 13 other parties filed a "Joint Motion To Change The Procedural Schedule For Litigation Of Scoping Memo Issues." On June 4, 2002, PG&E filed a motion to supplement the Gas Accord II Settlement Agreement with the signature pages of four additional parties.

Today's ruling grants in part the joint motion to change the procedural schedule, and grants the motion to add the additional signature pages to the settlement. The prepared testimony on the issues identified in the February 26, 2002 "Scoping Memo and Ruling Of The Assigned Commissioner And Administrative Law Judge" (Scoping Memo) are to be served on the parties within five weeks after the Commission takes action on whether to accept or reject the Gas Accord II Settlement Agreement. The dates for the evidentiary hearing on the Scoping Memo issues will be set in a future ruling.

Background

Hearings for this proceeding were initially established in the Scoping Memo. Under the schedule set forth in the Scoping Memo, the prepared testimony is to be served on July 15, 2002, reply testimony is to be served on July 29, 2002, and evidentiary hearings are set for August 5 through August 14, 2002.

Subsequently, PG&E held two settlement conferences to discuss a possible settlement of the application to extend the provisions of the “Gas Accord.” On May 20, 2002, PG&E and 13 other parties filed a “Joint Motion For Approval Of Gas Accord II Settlement Agreement And Request For Shortened Comment Time.” The joint motion to change the procedural schedule was also filed the same day. Among other things, the proposed Gas Accord II Settlement Agreement would extend, for a one-year term, the existing market structure, rates, tariffs, and terms and conditions of service, for PG&E’s gas transmission and storage system.¹

In a ruling dated May 29, 2002, the assigned Administrative Law Judge (ALJ), among other things, shortened the time for parties to comment on the proposed Gas Accord II Settlement Agreement. That ruling also stated that a ruling on the motion to change the procedural schedule would “issue during the week of June 17, 2002.”

¹ Under the proposed Gas Accord II Settlement Agreement, the market structure for PG&E’s gas transmission service would be extended for the period from January 1, 2003 to December 31, 2003, and for PG&E’s gas storage service for the period from April 1, 2003 to March 31, 2004.

Comments and reply comments on the motion to approve the proposed Gas Accord II Settlement Agreement have been filed. The motion to approve the Gas Accord II Settlement Agreement will be addressed in an upcoming Commission decision.

No responses to the motion to change the procedural schedule, or to the motion to supplement the Gas Accord II Settlement Agreement, were filed.

Discussion

At the present time, the evidentiary hearings for this proceeding are scheduled for August 5 through August 14, 2002. The joint parties' motion requests that the procedural schedule be pushed back to an October/November 2002 timeframe. If the proposed Gas Accord II Settlement Agreement is approved by the Commission, the issues identified in the Scoping Memo shall be deemed to be resolved for the one-year extension period. In addition, the Settlement Agreement provides that any changes to the market structure, rates, tariffs, or terms and conditions of service, will not be implemented until after the one-year extension period has ended.

Due to the filing of the motion to approve the Gas Accord II Settlement Agreement, the joint parties believe that good cause exists to postpone for a short time the existing procedural schedule for addressing the issues identified in the Scoping Memo. By postponing the hearings, the joint parties believe that this will allow the assigned ALJ and Commissioner, and the Commission, to focus on the proposed Settlement Agreement so that a timely decision can issue.

Since no one opposes the motion to change the procedural schedule, and because the motion to approve the proposed Gas Accord II Settlement Agreement has not yet been resolved, the joint motion to change the procedural schedule is granted. The dates previously set for the service of prepared and

reply testimony and for the evidentiary hearings shall be postponed. The new schedule for the issues identified in the Scoping Memo shall be as follows:²

- Within five weeks after the Commission takes action on whether to adopt or reject the Gas Accord II Settlement Agreement, the parties shall serve their prepared testimony, addressing the issues identified in the Scoping Memo, on the service list to this proceeding.
- The reply testimony shall be served on the service list four weeks after the service of the prepared testimony.
- The dates for the evidentiary hearing into the Scoping Memo issues will be established in a future ruling.

Although today's ruling grants in part the motion to change the procedural schedule, this should not be interpreted by anyone to mean that a decision approving the proposed Gas Accord II Settlement Agreement will be adopted by the Commission.

PG&E's motion to supplement the Gas Accord II Settlement Agreement with the signature pages of four additional parties is granted.

IT IS RULED that:

1. The May 20, 2002 "Joint Motion To Change The Procedural Schedule For Litigation Of Scoping Memo Issues" is granted as set forth below.
2. The dates in the February 26, 2002 Scoping Memo and Ruling, which set forth the dates for serving the prepared and reply testimony, shall be postponed as follows: the prepared testimony on the issues identified in the Scoping Memo

² Should additional issues be identified in the comments and reply comments to the proposed Gas Accord II Settlement Agreement, additional issues may be added to the scope of issues to be addressed in this proceeding.

shall be served electronically and by mail on the parties to this proceeding within five weeks after the Commission takes action on whether to adopt or reject the Gas Accord II Settlement Agreement, and the reply testimony shall be served electronically and by mail on the parties to this proceeding four weeks after the prepared testimony is served on the parties.

3. The evidentiary hearings that were scheduled for August 5, 2002 through August 14, 2002 shall be taken off calendar. The new dates for the evidentiary hearing on the issues identified in the Scoping Memo shall be set in a future ruling.

4. The June 4, 2002 “Motion Of Pacific Gas and Electric Company To Supplement Settlement Filing With Additional Signature Pages” is granted.

Dated July 9, 2002, at San Francisco, California.

/s/ JOHN S.WONG

John S. Wong
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Regarding Two Motions on all parties of record in this proceeding or their attorneys of record.

Dated July 9, 2002, at San Francisco, California.

/s/ FANNIE SID

Fannie Sid

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

The Commission's policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074 or TTY# 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.